PMBOK® 7e Update for CPM 4e Chapter 11 Risk Planning

PMBOK® 7e Domains Impacting Chapter 11

Stakeholders
Team
Delivery
Measurement
Uncertainty

Stakeholders

Stakeholders analysis provides useful information about their interests, concerns, and needs. If not met, these elements could become risk factors for a project. A project team must work collaboratively with stakeholders to elicit their requirements and expectations, and attempt to resolve issues and concerns while developing the risk plan. Stakeholder interactions, interests, and influences are dynamic in nature and vary throughout the project life cycle; if not monitored, these would manifest as risks. Further, periodic communication with the stakeholders is highly desirable, with a focus on new developments and changes in the risk management plan.

Team

Every team member must be involved in developing a comprehensive list of risks with associated impact and probability of occurrence. Identifying risks is easier and a more realistic list of risks can be identified when team members possess experience with similar past projects and are knowledgeable about the risks associated with those projects. Team members assume a leadership role in monitoring risks during the project execution phase. They take proactive steps to notify the project team about such risks and consequences associated with them. A collaborative effort with stakeholders is desirable in developing and managing the risk plan.

Development Approach

Risk management will differ based on the development approach. When requirements are identified with a greater level of confidence and with less uncertainty, a predictive development approach is employed. Development of a risk register and risk management plan are often based on the scope planning and the WBS. Cost and schedule risks can be minimized with a collaborative team effort in developing these plans. In an adaptive approach, however, uncertainty and ambiguity is often associated with defining requirements. Therefore, risk associated with the project scope may be higher. Risk is minimized by iterative and incremental planning wherein the scope of a sprint is minimized and focused on; a prioritized business value is considered as a story and is executed in a sprint.

Planning

Project deliverables, organization requirements, market requirements, legal or regulatory restrictions – all these factors contribute to project planning, and associated risks must be assessed. In a predictive planning approach, it is possible to develop a detailed WBS and forecast possible risks associated with each and every WBS work package. In an adaptive method, high-level themes or epics are used to develop features which are further decomposed into stories. In the process, the scope is narrowed down to what is feasible and adds most business value. It is executed in a sprint. This narrowly-defined scope reduces the inherent risk associated with the scope. Cost and schedule risks are minimized as all the available resources are dedicated to this sprint.

Delivery and Measurement

Completion of requirements can be asserted and measured using acceptance criteria, technical performance measures, and definition of done. However, if requirements are not complete or are ambiguous, then the delivery and measurement will be in jeopardy. If uncertainty in defining requirements is minimized, a predictive approach and consequent detailed development scope will help us in identifying, monitoring, and managing risks. If uncertainty and volatility are present in requirements, the scope is narrowed down using an adaptive approach so that acceptance criteria, measures, and definition of done can be determined.

Uncertainty

Risks are bound to occur when uncertainty exists in defining requirements, and presence of risk adds to uncertainty. Further, ambiguity, volatility, and complexity are some of the factors that, if present, will increase risks associated with the project.